

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Texas Gas Transmission, LLC

Docket No. CP06-126-000

ORDER ISSUING CERTIFICATE AND GRANTING ABANDONMENT
AUTHORITY

(Issued December 4, 2006)

1. On April 14, 2006, Texas Gas Transmission, LLC (Texas Gas) filed an application pursuant to sections 7(b) and 7(c) of the Natural Gas Act (NGA) and part 157 of the Commission's regulations seeking authority to abandon certain facilities and a certificate of public convenience and necessity authorizing it to expand certain gas storage facilities at its market area storage complex, located in Kentucky and Indiana, to provide additional market area storage services to its customers (Texas Gas Storage Expansion Project – Phase 2). For the reasons set forth below, we will grant the requested abandonment and certificate authorizations subject to conditions.

Background and Proposal

2. Texas Gas operates a major natural gas pipeline system and is engaged in the transportation of gas from various sources in Texas and Louisiana to various markets throughout its interstate pipeline system. Texas Gas' market area storage complex consists of nine storage fields located in Indiana and Kentucky. The Midland Gas Storage Field (Midland), the largest of these fields, is located in Muhlenberg County near the community of Midland, Kentucky.

3. Texas Gas asserts that recent requests for additional firm storage capacity exceed the physical capabilities of Texas Gas' system, thereby prompting Texas Gas to evaluate expansion of its existing storage facilities. Texas Gas held a binding open season from January 18 to January 31, 2006, and received four acceptable bids for the storage

capacity, with one customer requesting no-notice service (NNS), two customers requesting firm storage service (FSS), and another requesting both NNS and FSS services.¹ Texas Gas states that none of the customers are affiliated with Texas Gas.

4. Texas Gas proposes to provide the requested no-notice service under its existing NNS Rate Schedule and the requested firm storage service under its existing FSS Rate Schedule, so that the requested service is provided under the same terms and conditions as its existing services.² Texas Gas proposes to charge its currently effective maximum transportation reservation and commodity rates for no-notice transportation service under Rate Schedule NNS and the currently effective maximum storage reservation and injection/withdrawal rates for firm storage service under Rate Schedule FSS. Texas Gas asserts that the revenues from the expansion shippers for each of the first three years of the service are estimated to be \$8,262,206, as compared to estimated costs of service of \$6,803,799 in year one, \$6,524,017 in year two, and \$6,279,303 in year three. Texas Gas asserts that since the project revenues exceed project costs, rolled-in treatment is consistent with the “no subsidy requirement” of the Commission’s Certificate Policy Statement.³ Texas Gas estimates that the project will cost \$36,263,100.

5. Texas Gas proposes to provide the additional service by expanding the withdrawal capability at Midland and at Hanson Storage. Specifically, Texas Gas proposes to abandon by removal two existing Climax gas-driven, reciprocating engine compressors (units #1 and #2), at the Hanson Compressor Station, abandon by plugging existing I/W Well Nos. 16774 and 16812 at Midland Storage, and install the following facilities:

¹ The prospective NNS customers have also successfully bid for the pipeline capacity component of their proposed no-notice service, thus reducing the amount of Texas Gas' unsubscribed firm transportation capacity. The capacity will continue to be available for bid, however, on Texas Gas' website on a short-term firm basis prior to the in-service date of the facilities proposed herein.

² NNS is a firm service that combines nominated pipeline capacity with unnominated storage capacity into a single no-notice service. FSS is a nominated service that provides for the firm receipt and injection of a customer's gas into storage during the summer season and subsequent firm withdrawal and delivery of the gas during the winter season.

³ *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *order on clarification*, 90 FERC ¶ 61,128, *order on clarification*, 92 FERC ¶ 61,094 (2000) (Policy Statement).

Slaughters Compressor Station – Webster County, Kentucky

- One 13,338 hp turbine-driven Solar Mars Turbine/Compressor package;
- Ancillary equipment;
- New compressor building;
- Intake and exhaust system;
- High pressure suction, discharge, recycle, fuel gas, start gas and lateral piping;
- New gas filtration equipment and high pressure piping;
- Power generator; and
- Modification of the existing electrical power system.

Hanson Compressor Station – Hopkins County, Kentucky

- Two Caterpillar 3606TALE 1,775 hp gas-driven reciprocating engine compressors (#3 and #4);
- New compressor building;
- Auxiliary building;
- New hot water boiler in auxiliary building;
- New dehydration plant;
- Intake and exhaust system;
- High pressure suction, discharge, recycle, fuel gas, start gas and lateral piping;
- New gas filtration equipment and high pressure piping;
- Power generator; and
- Modification of the existing electrical power system.

Hanson Gas Storage Field – Hopkins County, Kentucky

- Two horizontal I/W wells, Well No. 17567 and Well No. 17568;
- 900 feet of new 8-inch pipeline from Well No. 17657 to the 12-inch East Header pipeline⁴; and
- 800 feet of 8-inch pipeline from Well No. 17658 to the 8-inch West Header pipeline.

⁴ Tributary lines and lateral lines will be constructed pursuant to Texas Gas' blanket certificate authorized in Docket No. CP82-407-000. 20 FERC ¶ 62,417 (1982)

Midland Gas Storage Field - Muhlenberg County, Kentucky

- Five horizontal I/W Wells: Well Nos. 17562, 17563, 17564, 17565, and 17566;
- 1,200 feet of 8-inch pipeline from Well No. 17562 to the E-11 lateral pipeline;
- 800 feet of 8-inch pipeline from Well No. 17563 to the E-7 lateral pipeline;
- 1,000 feet of new 8-inch field tributary pipeline from Well No. 17564 to the existing E-4 lateral pipeline;
- 200 feet of 8-inch pipeline from Well No. 17565 to the E-1 lateral pipeline;
- 500 feet of 8-inch pipeline from Well No. 17566 to the W-4 lateral pipeline;
- 1,600 feet of 6-inch pipeline to replace the existing 4-inch line to existing Well No. 16947;
- 1,500 feet of 6-inch pipeline to replace the existing 4-inch line to Well No. 16975; and
- 6,400 feet of 6-inch pipeline to replace the existing 4-inch and 6-inch pipeline segments extending from the terminus of the E-11 lateral pipeline to the E-7 lateral pipeline (including installation of pig trap receiver/launcher facilities to facilitate in-line inspections of that tributary pipeline).

6. Texas Gas also proposes to increase the certificated capacity of Midland Storage by 2,000,000 Mcf by raising the maximum operating pressure of the field. Texas Gas states that the proposed facility enhancements and increase in certificated capacity will allow it to withdraw on a firm basis up to an additional 100,749 Mcf of natural gas per day.⁵

7. Texas Gas avers that the proposal will allow it to utilize an additional 9,320,500 Mcf of gas in Midland Storage as working gas on a firm seasonal basis. Of that total, Texas Gas is proposing to convert 7,320,500 Mcf of existing cushion gas to working gas. The remaining 2,000,000 Mcf of incremental working gas is to be injected by FSS customers in conjunction with the proposed expansion.

⁵ Texas Gas plans to attribute approximately 50 percent of the additional deliverability to both Hanson Storage and Midland Storage.

Notice, Interventions and Comments

8. Notice of Texas Gas' application was published in the *Federal Register* on May 2, 2006 (71 Fed. Reg. 25,832). Proliance Energy, LLC, PSEG Energy Resources & Trade, LLC, Louisville Gas and Electric Company, Constellation NewEnergy-Gas Division, LLC, The Peoples Natural Gas Company, d/b/a Dominion Peoples, and Hope Gas, Inc., d/b/a Dominion Hope (Dominion), Pivotal Utility Holdings, Inc. d/b/a Elizabethtown Gas, and Mr. W.E. Williams (Mr. Williams) filed timely, unopposed motions to intervene.⁶ Mr. Williams' intervention also contained a protest in opposition to the application.

9. Texas Gas filed an answer to the protest, to which Mr. Williams filed an answer. Although the Commission's Rules of Practice and Procedure do not permit answers to protests and answers to answers, the Commission finds good cause to waive Rule 213 (a) and admit the answers filed in the instant docket because they provide information that assisted us in our decision-making.⁷ Mr. Williams' protest and the subsequent filings made in response to that protest are discussed below.

Discussion

10. Since the proposed facilities will be used to store and transport gas in interstate commerce subject to the jurisdiction of the Commission, the construction and operation of the facilities are subject to the requirements of subsections (c) and (e) of section 7 of the NGA. Since the facilities Texas Gas seeks to abandon are facilities certificated to transport natural gas in interstate commerce subject to the jurisdiction of the Commission, the proposed abandonment requires Commission authorization under NGA section 7(b).

Public Convenience and Necessity

11. On September 15, 1999, the Commission issued a Policy Statement providing guidance as to how proposals for certificating new construction will be evaluated. Specifically, the Policy Statement explains that the Commission, in deciding whether to authorize the construction of new pipeline facilities, balances the public benefits against the potential adverse consequences. Our goal is to give appropriate consideration to the enhancement of competitive transportation alternatives, the possibility of overbuilding,

⁶ Timely, unopposed motions to intervene are granted pursuant to 18 CFR § 385.214 (2006).

⁷ 18 C.F.R. § 385.213(a)(2) (2006).

subsidization by existing customers, the applicant's responsibility for unsubscribed capacity, the avoidance of unnecessary disruptions of the environment, and the unneeded exercise of eminent domain in evaluating new pipeline construction.

12. Under this policy the threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from its existing customers. The next step is to determine whether the applicant has made efforts to eliminate or minimize any adverse effects the project might have on the applicant's existing customers, existing pipelines in the market and their captive customers, or landowners and communities affected by the route of a new pipeline. If residual adverse effects on these interest groups are identified after efforts have been made to minimize them, the Commission will evaluate the project by balancing the evidence of public benefits to be achieved against the residual adverse effects. This is essentially an economic test. Only when the benefits outweigh the adverse effects on economic interests will the Commission then proceed to complete the environmental analysis where other interests are considered.

13. Texas Gas will provide services to the expansion shippers under its existing Rate Schedules NNS and FSS. The rates the expansion shippers will pay for their services will generate revenues exceeding the incremental cost of service of the proposed project. Specifically, the revenues from the expansion shippers for each of the first three years of the service are \$8,262,206 as compared to costs of \$6,803,799 in year one, \$6,524,017 in year two, and \$6,279,303 in the third year of service. Thus, the proposal satisfies the threshold requirement under the Policy Statement that there be no financial subsidy from the applicant's existing customers. Further, we find that Texas Gas may roll the costs of the project into the rate base for its rates under Rate Schedules NNS and FSS in its next general rate case absent changed circumstances.

Adverse Effects Analysis

14. The construction of the facilities as proposed will not result in any adverse operational effects on existing Texas Gas customers because the level and quality of service provided existing shippers remains unchanged. The project as proposed will enable the use of approximately 9,320,500 Mcf of existing storage capacity, thus increasing system usage.

15. The proposed project will have no adverse effect on other pipelines in the area or Texas Gas' captive customers. Texas Gas' expanded storage capacity is designed to meet incremental demand on its system and, therefore, no service on any other pipeline will be displaced.

16. Construction of the proposed facilities will not have an adverse impact on landowners or communities because the proposed construction will be confined to the maintained Slaughters and Hanson Compressor Station sites and the areas currently used for gas storage in the Hanson and Midland Gas Storage Fields. Therefore, Texas Gas does not have to obtain additional rights-of-way or exercise eminent domain to construct this project, except as discussed immediately below.

W.E. Williams' Protest

17. Mr. Williams asserts that he owns the record title to a one-quarter undivided interest, in fee simple, as a tenant in common with Texas Gas, in the oil and gas within the Bethel Seam located below an 18 and 17/32 acre tract in the Midland Gas Storage Field. Mr. Williams seeks an accounting from Texas Gas for profits realized from extraction of oil and gas from this area. Texas Gas responds that it acquired an exclusive ownership interest in the subject tract when it instituted eminent domain proceedings in the late 1960s when Texas Gas developed the storage field.

18. Issues of compensation for land taken by a pipeline under the eminent domain provisions of the NGA are matters for state or federal court. The ownership rights of the land in question is appropriately being addressed in the Muhlenberg Circuit Court. Accordingly, we deny Mr. Williams' request to reject Texas Gas's application.

19. For all of the above reasons, the Commission finds that Texas Gas' proposal complies with the Certificate Policy Statement. As explained, Texas Gas has demonstrated that there is a market for the additional services, the initial rates will not result in a subsidy for the project by existing shippers, existing shippers will benefit by the expanded withdrawal capacity from Texas Gas' storage facilities, and no other pipelines, their captive customers or landowners will be adversely affected.

Engineering Analysis

20. Commission staff reviewed the geologic and engineering data provided for the proposed storage enhancements and finds that the proposed reclassification of 7,320,000 Mcf of cushion gas to working gas is within the parameters of working gas authorized for the integrated storage system. Staff finds that the increase by 2,000,000 Mcf of capacity at Midland Storage to be utilized as working gas capacity is sound from an engineering perspective; however the authorization to increase the maximum pressure at Midland Storage is conditioned upon compliance with the post-construction recommendations made by Terralog Technologies. Additionally, staff reviewed and analyzed the pipeline flow diagrams for the compressor station enhancements and confirmed that those facilities are properly designed to provide the proposed services.

Environmental Analysis

21. On May 25, 2006, we issued a Notice of Intent to Prepare an Environmental Assessment for the abandonment and construction of facilities for the proposed Texas Gas Expansion Project – Phase 2 and Request for Comments on Environmental Issues (NOI). We received one comment letter from the U.S. Fish and Wildlife Service in response to the NOI identifying potential impacts to federally listed species that may occur in the proposed project area which is addressed in the environmental assessment (EA).

22. Commission staff prepared an EA for Texas Gas' proposal. The EA addresses water resources, fisheries, wildlife, vegetation, cultural resources, soils, land use, air quality, noise quality, polychlorinated biphenyl contamination, and alternatives.

23. Based on the discussion in the EA, the Commission concludes that if the project is constructed in accordance with Texas Gas' application and the environmental conditions set forth in the Appendix hereto, the Commission's approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.

24. Any state or local permits issued with respect to the jurisdictional facilities authorized herein must be consistent with the conditions of this certificate. The Commission encourages cooperation between interstate pipelines and local authorities. However, this does not mean that state and local agencies, through application of state or local laws, may prohibit or unreasonably delay the construction or operation of facilities approved by this Commission.⁸ Texas Gas shall notify the Commission's environmental staff by telephone or facsimile of any environmental noncompliance identified by other federal, state, or local agencies on the same day that such agency notifies Texas Gas. Texas Gas shall file written confirmation of such notification with the Secretary of the Commission within 24 hours.

Conclusion

25. For all of the reasons discussed above, the Commission concludes that Texas Gas' proposal to construct and operate the storage expansion project, as described herein, is required by the public convenience and necessity and, accordingly, a certificate and abandonment authorization will be issued to Texas Gas for this project.

⁸See, e.g., *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293 (1988); *National Fuel Gas Supply v. Public Service Comm'n*, 894 F.2d 571 (2d Cir. 1990); and *Iroquois Gas Transmission System, L.P.*, 52 FERC ¶ 61,091 (1990) and 59 FERC ¶ 61,094 (1992).

26. The Commission on its own motion received and made a part of the record in this proceeding all filed evidence, including the application and exhibits thereto, and after consideration thereof

The Commission orders:

(A) A certificate of public convenience and necessity is issued to Texas Gas authorizing it to construct and operate the Texas Gas Storage Expansion Project – Phase 2, as more particularly described herein and in the application.

(B) The abandonment of facilities, as described in this order and the application, is approved.

(C) Texas Gas shall notify the Commission of the effective date of the abandonment authorized in paragraph (B) above within 10 days thereof.

(D) Texas Gas shall construct and place into operation the facilities authorized herein within one year from the date of this order in accordance with section 157.20(b) of the Commission's regulations.

(E) A preliminary determination is made that Texas Gas may roll the costs of its proposed expansion into its systemwide cost-of-service in its next NGA section 4 rate proceeding, provided there are no material changes in the relevant facts and circumstances associated with the project at the time it proposes to roll in the subject costs.

(F) Texas Gas shall comply with recommendations made by Terralog regarding delta-pressuring and submit compliance documentation to the Commission prior to placing the facilities in service.

(G) The maximum shut-in well head pressure at Midland should not exceed: 919.4 psig. The total capacity at Midland may be increased by 2 Bcf from 133,141,878 MMcf to 135,141,878 MMcf at 14.78 psia and 60° F.

(H) The certificate issued to Texas Gas is conditioned on its compliance with the Natural Gas Act and all relevant Commission regulations, in particular with Part 154 and paragraphs (a), (c), (e) and (f) of section 157.20 of the regulations.

(I) Texas Gas shall execute firm service agreements equal to the level of service and consistent with the terms of service represented in its precedent agreements with its customers for service prior to commencing construction.

(J) The certificate issued in paragraph (A) above is conditioned on Texas Gas' compliance with the environmental conditions included in the Appendix to this order.

(K) Texas Gas shall notify the Commission's environmental staff by telephone and/or facsimile of an environmental noncompliance identified by other federal, state or local agencies on the same day that such agency notifies Texas Gas. Texas Gas shall file written confirmation of such notification with the Secretary of the Commission within 24 hours.

(L) Mr. Williams' protest is denied.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

APPENDIX

Environmental Conditions

As recommended in the EA, this authorization includes the following conditions:

1. Texas Gas shall follow the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests) and as identified in the EA, unless modified by this Order. Texas Gas must:
 - a. request any modification to these procedures, measures, or conditions in a filing with the Secretary of the Commission (Secretary);
 - b. justify each modification relative to site-specific conditions;
 - c. explain how that modification provides an equal or greater level of environmental protection than the original measure; and
 - d. receive approval in writing from the Director of the Office of Energy Projects (OEP) **before using that modification.**
2. The Director of OEP has delegation authority to take whatever steps are necessary to ensure the protection of all environmental resources during construction and operation of the project. This authority shall allow:
 - a. the modification of conditions of this Order; and
 - b. the design and implementation of any additional measures deemed necessary (including stop work authority) to assure continued compliance with the intent of the environmental conditions as well as the avoidance or mitigation of adverse environmental impact resulting from project construction and operation.
3. **Prior to any construction**, Texas Gas shall file an affirmative statement with the Secretary, certified by a senior company official, that all company personnel, environmental inspectors, and contractor personnel will be informed of the environmental inspector's authority and have been or will be trained on the implementation of the environmental mitigation measures appropriate to their jobs **before** becoming involved with construction and restoration activities.
4. The authorized facility locations shall be as shown in the EA, as supplemented by filed alignment sheets. **As soon as they are available, and before the start of construction**, Texas Gas shall file with the Secretary any revised detailed survey

alignment maps/sheets at a scale not smaller than 1:6,000 with station positions for all facilities approved by this Order. All requests for modifications of environmental conditions of this Order or site-specific clearances must be written and must reference locations designated on these alignment maps/sheets.

Texas Gas's exercise of eminent domain authority granted under Natural Gas Act (NGA) section 7(h) in any condemnation proceedings related to this Order must be consistent with these authorized facilities and locations. Texas Gas's right of eminent domain granted under NGA section 7(h) does not authorize it to increase the size of its natural gas pipeline to accommodate future needs or to acquire a right-of-way for a pipeline to transport a commodity other than natural gas.

5. Texas Gas shall file with the Secretary detailed alignment maps/sheets and aerial photographs at a scale not smaller than 1:6,000 identifying all route realignments or facility relocations, and staging areas, pipe storage yards, new access roads, and other areas that would be used or disturbed and have not been previously identified in filings with the Secretary. Approval for each of these areas must be explicitly requested in writing. For each area, the request must include a description of the existing land use/cover type, and documentation of landowner approval, whether any cultural resources or federally listed threatened or endangered species would be affected, and whether any other environmentally sensitive areas are within or abutting the area. All areas shall be clearly identified on the maps/sheets/aerial photographs. Each area must be approved in writing by the Director of OEP **before construction** in or near that area.

This requirement does not apply to (route variations required herein or) extra workspace allowed by the Upland Erosion Control, Revegetation, and Maintenance Plan, minor field realignments per landowner needs and requirements which do not affect other landowners or sensitive environmental areas such as wetlands.

Examples of alterations requiring approval include all route realignments and facility location changes resulting from:

- a. implementation of cultural resources mitigation measures;
- b. implementation of endangered, threatened, or special concern species mitigation measures;
- c. recommendations by state regulatory authorities; and
- d. agreements with individual landowners that affect other landowners or could affect sensitive environmental areas.

6. Within 60 days of the acceptance of this certificate and before construction begins, Texas Gas shall file an initial Implementation Plan with the Secretary for review and written approval by the Director of OEP describing how Texas Gas will implement the mitigation measures required by this Order. Texas Gas must file revisions to the plan as schedules change. The plan shall identify:
 - a. how Texas Gas will incorporate these requirements into contract bid documents, construction contracts (especially penalty clauses and specifications), and construction drawings so that the mitigation required at each site is clear to onsite construction and inspection personnel;
 - b. the number of environmental inspectors assigned per project area, and how the company will ensure that sufficient personnel are available to implement the environmental mitigation;
 - c. company personnel, including environmental inspector and contractors, who will receive copies of the appropriate material;
 - d. what training and instruction Texas Gas will give to all personnel involved with construction and restoration (initial and refresher training as the project progresses and personnel change), with the opportunity for OEP staff to participate in the training session(s);
 - e. the company personnel (if known) and specific portion of Texas Gas's organization having responsibility for compliance;
 - f. the procedures (including the use of contract penalties) Texas Gas will follow if noncompliance occurs; and
 - g. for each discrete facility, a Gantt or PERT chart (or similar project scheduling diagram), and dates for:
 1. the completion of all required surveys and reports;
 2. the mitigation training of onsite personnel;
 3. the start of construction; and
 4. the start and completion of restoration.
7. Texas Gas shall develop and implement an environmental complaint resolution procedure. The procedure shall provide landowners with clear and simple directions for identifying and resolving their environmental mitigation problems/concerns during construction of the project. **Prior to construction**, Texas Gas shall mail the complaint procedures to each landowner whose residence occurs within one-half mile of the compressor stations as defined by §157.6(d) of the Commission's regulations.
 - a. In its letter to affected landowners, Texas Gas shall:

- (1) provide a local contact that the landowners should call first with their concerns; the letter should indicate how soon a landowner should expect a response;
 - (2) instruct the landowners that, if they are not satisfied with the response, they should call Texas Gas's Hotline; the letter should indicate how soon to expect a response; and
 - (3) instruct the landowners that, if they are still not satisfied with the response from Texas Gas's Hotline, they should contact the Commission's Enforcement Hotline at (888) 889-8030.
 - b. In addition, Texas Gas shall include in its biweekly status report a copy of a table that contains the following information for each problem/concern:
 - (1) the date of the call;
 - (2) the description of the problem/concern; and
 - (3) an explanation of how and when the problem was resolved, will be resolved, or why it has not been resolved.
8. Texas Gas shall employ at least one environmental inspector on its project. The environmental inspector shall be:
 - a. responsible for monitoring and ensuring compliance with all mitigative measures required by this Order and other grants, permits, certificates or other authorizing documents;
 - b. responsible for evaluating the construction contractor's implementation of the environmental mitigation measures required in the contract (see condition 6 above) and any other authorizing document;
 - c. empowered to order correction of acts that violate the environmental conditions of this Order, and any other authorizing document;
 - d. a full-time position, separate for all other activity inspectors;
 - e. responsible for documenting compliance with the environmental conditions of this Order, as well as any environmental conditions/permit requirements imposed by other Federal, state, or local agencies; and
 - f. responsible for maintaining status reports.
9. Texas Gas shall file updated status reports prepared by the (head) environmental inspector with the Secretary on a **biweekly** basis **until** all construction-related activities, including restoration and initial permanent seeding, are complete on its project. On request, these status reports will also be provided to other Federal and state agencies with permitting responsibilities. Status reports shall include:

- a. the current construction status of the project, work planned for the following reporting period, and any schedule changes for stream crossings or work in other environmental sensitive areas;
 - b. a listing of all problems encountered and each instance of noncompliance observed by the environmental inspector(s) during the reporting period (both for the conditions imposed by the Commission and any environmental conditions/permit requirements imposed by other Federal, state, or local agencies);
 - c. corrective actions implemented in response to all instances of noncompliance, and their cost;
 - d. the effectiveness of all corrective actions implemented;
 - e. a description of any landowner/resident complaints which may relate to compliance with the requirements of this Order, and the measures taken to satisfy their concerns; and
 - f. copies of any correspondence received by Texas Gas from other Federal, state, or local permitting agencies concerning instances of noncompliance, and Texas Gas's response.
10. Texas Gas must receive written authorization from the Director of OEP **before commencing service** on each segment of its project, respectively. Such authorization will only be granted following a determination that rehabilitation and restoration of the sites are proceeding satisfactorily.
11. **Within 30 days of placing the certificated facilities in service**, Texas Gas shall file an affirmative statement with the Secretary, certified by a senior company official:
 - a. that the facilities have been constructed in compliance with all applicable conditions, and that continuing activities will be consistent with all applicable conditions; or
 - b. identifying which of the certificate conditions Texas Gas has complied with or will comply with. This statement shall also identify any areas along the ROW where compliance measures were not properly implemented, if not previously identified in filed status reports, and the reason for noncompliance.
12. Texas Gas shall file with the Secretary for review **prior to construction** comments from the Kentucky Department of Fish and Wildlife Resource regarding the measures to protect wildlife habitat, wildlife recreation, and mitigate pipeline construction areas within the Peabody Wildlife Management Area.

13. Texas Gas shall make all reasonable efforts to assure its predicted noise levels from the Slaughters and Hanson Compressor Stations are not exceeded at nearby NSAs or noise sensitive areas and file noise surveys showing this with the Secretary **no later than 60 days** after placing the Slaughters and Hanson Compressor Stations in service. However, if the noise attributable to the operation of the new unit(s) at the Slaughters Compressor Station or Hanson Compressor Station at full load exceeds an L_{dn} of 55 dBA at any nearby NSAs, Texas Gas shall install additional noise controls to meet that level **within 1 year** of the in-service date. Texas Gas shall confirm compliance with the L_{dn} of 55 dBA requirement by filing a second noise survey with the Secretary **no later than 60 days after** it installs the additional noise controls.